

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5801-01
Bill No.: HB 1795
Subject: Waste - Solid
Type: Original
Date: March 20, 2012

Bill Summary: This proposal removes the expiration date that specifies no adjustments can be made to certain solid waste landfill charges.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Natural Resources (DNR)** assumes this proposal limits the ability of the department to increase the solid waste tonnage fee with the exception being an annual increase based upon the CPI or its successor index on only the department's 39% share of the fees.

DNR assumes Solid Waste Management Districts fund local grants that are made available to small and large businesses, municipalities, and individuals for reduce/reuse/recycle projects. The exact decrease in funding is indeterminable due to the number of variables affecting generation and disposal of solid waste in the state.

DNR states the department does not receive any General Revenue funds for solid waste activities and assumes this proposal would only impact Total State Revenue if the department has a need to increase the solid waste tonnage fee at a rate greater than the annual increase in the CPI.

DNR states the total tonnage entering landfills is decreasing.

DNR states since the department is allowed to retain only 39% of the solid waste tonnage fees, the remaining fees are statutorily required to be distributed as follows: \$800,000 to Environmental Improvement and Energy Resources Authority's Market Development Program and 61% + \$200,000 to the 20 solid waste management districts, the potential exists in the future for the department to become unable to provide all services required by statute due to revenues being less than needed to operate the program.

DNR assumes the exact fiscal impact and the point at which solvency of the program will become an issue to the department is unknown.

Officials at the **St. Louis - Jefferson Solid Waste Management District, Mid America Regional Council Solid Waste Management District, and Region M Solid Waste Management District (SWMD)** state the Solid Waste Management Fund was created in 1990 with an established fee of \$1.50 per ton for waste disposed in Missouri landfills. The original fee could be adjusted by inflation according to the consumer price index. In 2005 the fee was capped at \$2.11 per ton with an expiration date of October 1, 2014.

SWMD states a study was conducted by the University of Missouri that estimated if the cap on the waste disposal fee had not been implemented the current fee would be \$2.55 per ton, a difference of \$0.44 cents per ton from the capped fee.

KB:LR:OD

ASSUMPTION (Continued)

SWMD assumes this proposal permanently caps solid waste management fees paid into the Solid Waste Management Fund which will reduce future resources available to support the recycling industry.

Oversight assumes this proposal removes the October 1, 2014 end date for the annual adjustment for inflation cap on solid waste management fees.

Oversight assumes this proposal is a continuation of the cap beyond October 1, 2014 and will result in no change to the current rate at which solid waste management fees are assessed but permanently prevent an annual inflation adjustment for those fees.

Oversight assumes DNR and SWMD will match costs to meet the revenues received from solid waste management fees and therefore have no additional fiscal impact on state or local government funds.

In response to a similar proposal 5257-02, SB 778, officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

In response to a similar proposal 5257-02, SB 778, officials at the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Office of Administration - Division of Budget and Planning
Office of Secretary of State
Joint Committee on Administrative Rules
St. Louis County
St. Louis - Jefferson Solid Waste Management District
Mid America Regional Council (MARC) Solid Waste Management District
Region M Solid Waste Management District

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 20, 2012